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## HIGHLIGHTS

(All dollar values in this report are expressed in 2000 dollars, unless specified otherwise.)

- Median household net worth increased from \$49,932 in 1998 to \$55,000 in 2000.<sup>5</sup>
- Median household asset values of stocks, rental property and Individual Retirement Accounts (IRA and Keogh accounts) also experienced significant increases between 1998 and 2000.
- The median household value of other financial investments fell during the same period from \$24,367 to \$22,000. Other financial investments include mortgages held for sale of real estate and amount due from sale of business or property.
- Median home equity for households was \$59,000 in 2000, significantly higher than the 1998 median household home equity of \$55,263.
- In 2000, median household net worth varied from \$7,396 for households in the lowest income quintile to \$185,500 for households in the highest income quintile.
- In 2000, median household net worth generally increased with the age of the householder, rising from \$7,240 for householders under the age of 35, to \$108,885 for householders 65 and older.

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<sup>5</sup>The median net worth is the amount which divides the net worth distribution into two equal groups, one having household net worth less than the median amount and the other having net worth above the median. See Appendix B for a technical description of the changes in median estimation from earlier reports in this series.

- In 2000, the household median net worth was \$79,400 for households with a non-Hispanic White householder, \$7,500 for households with a Black householder, and \$9,750 for households with a Hispanic householder.<sup>6</sup> Hispanic households and Black households had significantly lower net worth than non-Hispanic White households, but the difference between Hispanic and Black households was not statistically significant.
- Married-couple households, the majority of households, had the highest median net worth in 2000: \$91,218. Significantly lower net worth characterized male householders (\$24,659) and female householders (\$23,028).
- In 2000, households with householders having a job for the entire 4-month reference period had a median household net worth of \$51,050, compared with \$28,543 for those with householders having no labor force activity during this time.

## ABOUT THIS REPORT

SIPP periodically collects detailed wealth data as part of its normal operation.<sup>7</sup> SIPP has a large sample size (approximately 37,000 households in the 1996 panel) that allows comparisons of the assets of small groups, especially those that tend to be underrepresented in other surveys (such as low

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<sup>6</sup>Hispanics may be of any race. The race or Hispanic origin of the householder designates the race or Hispanic origin of the household.

<sup>7</sup>Other sources for wealth and asset information include the Survey of Consumer Finances, the National Longitudinal Study, the Federal Reserves Flow of Funds accounts, the Panel Study of Income Dynamics, and the Consumer Expenditure Survey.

income households).<sup>8</sup> Because SIPP's sample design uses an address list that is updated repeatedly through extensive listing procedures, SIPP enjoys a high degree of population coverage, which makes its statistical estimates valid representations of the population.<sup>9</sup> SIPP's design also allows for the reliable measurement of household median net worth, the percentage of households holding a particular type of asset, and the distribution of the net worth of households by asset type.

The distribution of wealth in the United States has a large positive skew, with relatively few households holding a large proportion of the wealth. For this type of distribution, the median is the preferred measure of central tendency because it is less sensitive than the average (mean) to extreme observations. The median is also considerably lower than the average, and provides a more accurate representation of the wealth and asset holdings of the typical household. For example, more households have a net worth near the median of \$55,000 than near the average of \$182,381.

The median is also preferred because the concentration of wealth among relatively few households affects estimates of the average household net worth

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<sup>8</sup>The population represented in this report is the noninstitutional population, which excludes people in group quarters. Group quarters are units consisting of unrelated individuals living together in living quarters that have separate rooms but share common facilities such as dining halls. Individuals in group quarters would not normally share financial resources. The survey's universe also excludes people in institutions, people in Puerto Rico, and people living in military barracks. Members of the Armed Forces living off post or with their families on post are included if there is at least one civilian adult living in the household.

<sup>9</sup>See the 1993 SIPP "Source and Accuracy Statement" and the 1998 SIPP "Quality Profile" available at the following Web site: [www.sipp.census.gov/sipp/methmain.htm](http://www.sipp.census.gov/sipp/methmain.htm).